



**United States Department of Justice
United States Attorney's Office
District of Minnesota**

**Frank J. Magill,
Acting United States Attorney**

David Anderson, Public Affairs Specialist
(612) 664-5684; cell: (612) 730-2251

News Release

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Fourth person indicted in sham candy vending machine business

A fourth defendant, who was arrested yesterday in Florida, was recently added to a federal indictment and charged in connection to a sham candy vending machine business that allegedly defrauded investors of more than \$320,000.

Scott A. Burch, 38, Wellington, Fla., was charged Jan. 23 with one count of conspiracy to commit mail fraud, nine counts of mail fraud, one count of conspiracy to commit money laundering and 15 counts of concealment money laundering. He joins Stephen C. Crown, 67, his wife, Cheryl C. Crown, 63, and their son, Evan S. Crown, 39, all of Wellington Fla., who were each originally indicted in November 2007 on the same charges.

The indictment alleges that from June 2001 through December 2007, the four knowingly and intentionally conspired to induce individual victims nationwide to invest money in sham candy vending machine business opportunities, and to obtain more than approximately \$320,000 in money and property from those individuals by means of false and fraudulent pretenses.

The conspirators, the indictment alleges, created and used fictitious business names such as Capital Asset Investors Inc., Equitable Resources Inc., Empire Marketing, American Franchise Corp., and Ultimate Business Opportunities to lure people into making investments in the candy vending machine business. The defendants distributed advertisements nationwide offering investment opportunities in the machine distributorships or franchises.

The investors would telephone a toll-free number and leave their information. The defendants would allegedly return the call and provide investors with information about the business opportunity. Promotional materials and a contract would be delivered to the investors, and the Crowns allegedly directed the investors to send them the initial investment.

The indictment alleges that when some investors asked the conspirators for references to verify the legitimacy of the business opportunity, the conspirators provided them with false information. The indictment added that the defendants allegedly used a number of addresses that

appeared to be legitimate businesses, but were actually mailboxes at mail services businesses, such as UPS stores.

The indictment also alleges that the conspirators hired others to convert investors' payment checks into cash, that the defendants made false statements to the cash converters, and that the conspirators created and used a number of false identities when communicating with investors and cash converters.

To lull investors and to keep the scheme from being reported, the defendants allegedly provided a few investors with candy vending machines. However, most investors did not receive a machine.

The superseding indictment alleges that Burch voluntarily and intentionally joined the conspiracy, was a longtime friend of Evan Crown, and resided in Evan Crown's home. The indictment also alleges that Burch leased a mailbox at a UPS Store, picked up and opened investor packages and served as a cash converter by depositing investor checks into a bank account that he opened.

A court appearance for Burch has not been scheduled.

If convicted on all counts, each of the defendants face a potential maximum penalty of five years in prison on the conspiracy to commit mail fraud count and 20 years on each of the other counts. All sentences are determined by a federal district court judge. This case is the result of an investigation by the United States Postal Inspection Service, and is being prosecuted by Assistant U.S. Attorney Nicole A. Engisch.

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An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by the defendant. The defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.